

INSTRUCTIONAL MEMORANDUMS

To Local Public Agencies



To: Counties and Cities	Date: November 8, 2016
From: Office of Local Systems	I.M. No. 3.705
Subject: Local Letting Process – State or Local Funded Projects	

Contents: This Instructional Memorandum (I.M.) provides guidelines, instructions and information for a Local Public Agency (LPA) to conduct a local letting for projects that are local funded or State funded. [I.M. 3.730](#) "Iowa DOT Letting Process" outlines the procedures for letting projects at the Iowa Department of Transportation (Iowa DOT).

[Attachment A](#) – Sample Bidding Proposal Form ([word](#))

[Attachment B](#) – Sample Notice to Bidders Form ([word](#))

[Attachment C](#) – Sample Contract Form ([word](#))

Introduction

There are many State rules, policies, and procedures that apply to construction contract lettings. This I.M. provides guidance on meeting those State requirements. The sample documents in the Attachments to this I.M. are for LPA use; however, the LPA may want to have an attorney review the sample documents for any discrepancies to the LPA's local policies.

Counties – Utilizing the Iowa County Engineers Association (ICEA) Service Bureau

The ICEA Service Bureau has created a Local Letting Tool, that will create the documents shown in Attachments A, B and C to this I.M. The Local Letting Tool enables county engineers to set up projects for local lettings, and then generates all documents necessary for that effort, including the engineer's estimate, notice to bidders form, proposal form, and a contract. It can be accessed (by secondary road departments), at www.iceasb.org, under the Online Tools tab.

The Local Lettings tool offers flexibility and customization; documents are based on pre-defined templates, which may be customized for each county. It allows use of locally defined bid items, and counties may also accept bidding by locally pre-qualified bidders. The app uses current Iowa DOT bid items for formulating bid item lists.

Preparing the Bidding Documents

The LPA should create a Bidding Proposal Form, as shown in [Attachment A](#) to this I.M. The Bidding Proposal Form is created and distributed by the LPA to each bidder. The bidder completes the Bidding Proposal Form, and submits it at the time of letting. Information that may be helpful in determining contract periods, proposal guarantees, and liquidated damages, which should be contained in the Bidding Proposal Form, can be found on the Iowa DOT Office of Contracts webpage under [Letting Guidelines](#). The average daily construction rates in the [Letting Guidelines](#) are intended to be used as a guide to help determine a realistic contract period using working days in accordance with current specifications. The average daily construction rates are averaged over the entire state, and engineering judgment should be used to adjust the time periods for unique situations that are associated within each project.

Advertising Requirements

A Notice to Bidders is a form that the LPA creates and is used to notify contractors of the project; a sample Notice to Bidders Form can be found in [Attachment B](#) to this I.M. If desired by the LPA, it may include locally let projects in the Iowa Department of Transportation (Iowa DOT) [Local Agency Letting Information](#).

Using the Iowa DOT Bulletin Reporting Form:

If a LPA desires to advertise in the Local Agency Letting Report, e-mail the Bulletin Reporting Form ([Form 650013](#)) or a pdf of the Notice to Bidders to the Office of Contracts (dot.contracts@dot.iowa.gov).

Using the Service Bureau:

County engineers can also include projects in the Iowa DOT [Local Agency Letting Information](#) in two additional

ways. The County may either complete the on-line form located on the Iowa County Engineer's Association (ICEA) Service Bureau web site under Online Tools → Projects → Local Letting Notice; or use the ICEA Local Lettings tool. Completing either of these on-line forms will auto-send letting data to be included in the Iowa DOT [Local Agency Letting Information](#) and the Iowa Association of General Contractors (Iowa AGC) Report.

For cities, on both horizontal and vertical infrastructure projects, bid letting notifications need to be published in **ALL** of the following places. For counties, bid letting notifications need to be published in ALL of the following places for vertical infrastructure projects:

- In a relevant contractor plan room service with statewide circulation
- a relevant construction lead generating service with statewide circulation
- on an internet site sponsored by either a governmental entity or a statewide association that represents the governmental entity

For counties, on horizontal infrastructure projects, refer to Iowa Code Sections [309.40](#) and [309.41](#) for requirements on advertising for bid lettings. LPA's should also refer to the Local Systems ["Bid Thresholds"](#) web page for more information.

Qualified Bidders

LPA's should verify that all contractors who are bidding construction projects are qualified to complete the work. Iowa Code Section [314.1](#) states that counties may require that each bidder file a statement of qualification, showing the bidder's financial standing, equipment, experience etc. The Iowa DOT Office of Contracts established a list of [qualified bidders](#). The list of qualified bidders may be used in lieu of the statement of qualification. Generally, as a condition precedent to being furnished a proposal form, a prospective bidder should be on the current Iowa Department of Transportation or local county list of qualified bidders; except that this requirement does not apply when bids are received solely for materials, supplies, or equipment.

Conducting the Letting

All bids should be turned in prior to the time specified on the bidding proposal. All bids should be contained in a sealed package. After the bids are opened, they should be reviewed to ensure the bids are complete and accurate before they are read. The LPA should check to make sure the proposal is signed, all items are bid, and line items are totaled. A signed proposal guarantee should be included with the bid. If any of the above is not completed, or contained with the bid, it should not be read.

The LPA should analyze bids and determine the lowest responsive and responsible bidder. Each bid should be reviewed to determine if the unit prices multiplied by the units agrees with the price bid. The engineer should report the results of the letting.

Contract Award or Rejection

Refer to Local Systems [I.M. 3.730](#) "Iowa DOT Letting Process" for more information on analyzing bids, and awarding or rejecting a contract.

If the LPA does not award a contract to the low bidder, the LPA shall notify the low bidder. If the project will be re-let, some type of change to the plans, specifications, or contract period should be made in order to obtain lower bids.

If the LPA elects to award a contract to the lowest responsive and responsible bidder, the LPA should prepare the contract as noted below.

Preparing the Contract

A contract is the written agreement between the successful bidder and the LPA. If the LPA elects to award a contract to the low bidder, the LPA should schedule the proposed contract for action at the next Board of Supervisors or City Council meeting. A Sample Contract Form can be found in [Attachment C](#) to this I.M. After the Board of Supervisors or City Council passes a motion or resolution to award the proposed contract, the LPA sends originals of the unsigned contract to the low bidder. The low bidder then signs the originals of the contract and returns them to the LPA's Project Engineer along with their performance bond and a Certificate of Insurance, naming the LPA as an additional insured. If approved, the LPA signs the originals of the contract.

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For counties: Three original contracts are necessary. The County should have originals for the Prime Contractor, the County Auditor, and retain one for the LPA's records.

For cities: At least two original contracts are necessary. The City should have originals for at least the Prime Contractor and the LPA's records. Other parties that may want an original include, but are not limited to, the City Clerk or Consulting Engineer.